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pf 4007/013 Incoming

State of Utah
JON M. HUNTSMAN, JR.
Governor

GARY HERBERT
Lieutenant Governor

Department of
Environmental Quality

Richard W. Sprott
Executive Director

DIVISION OF WATER QUALITY
Walter L. Baker, P.E.
Director

August 28, 2008

Mr. R. Jay Marshall, Chief Engineer & Responsible Official
UtahAmerican Energy, Inc. - Lila Canyon Mine Facility
P.O. Box 986
Price, UT 84501

Subject: Compliance Evaluation Inspection – UPDES Permit No. UTG040024.

Dear Mr. Marshall:

On August 26, 2008 I conducted an inspection while already in the area in regards to the proposed Lila Canyon Mine facility and UPDES Permit No. UTG040024. Specifically I observed the proposed facility and outfall locations, as well as the dry receiving streambed. No deficiencies were observed and no response is required at this time, however please pay particular attention to the "Recommendations" section of the narrative report as these items will be reviewed during the next DWQ inspection.

Enclosed is a copy of the inspection reports for your records. If you have any questions, please contact me at (801) 538-6779 or by e-mail at jstudenka@utah.gov.

Sincerely,

Jeff Studenka

Jeff Studenka, Environmental Scientist
UPDES IES Section

Enclosures

cc (w/encl): Jennifer Meints, EPA Region VIII
Claron Bjork, SE District Health Department
Dave Ariotti, SE District Engineer
Daron Haddock, Division of Oil Gas & Mines

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RECEIVED
SEP 0 2 2008
DIV. OF OIL, GAS & MINING

United States Environmental Protection Agency
Washington, D.C. 20460

Water Compliance Inspection Report

Section A: National Data System Coding *(i.e., ICIS)*

Transaction Code	NPDES	yr/mo/day	Inspection Type	Inspector	Fac. Type
N	UTG040024	080826	C	S	2
1 2	3 11	12 17	18	19	20

Remarks (21 66)

Inspection Work Days	Facility Self-Monitoring Evaluation Rating	BI	QA	Reserved
2	4	N	N	
67 69	70	71	72	73 74 / 75 80

Section B: Facility Data

Name and Location of Facility Inspected *(For industrial users discharging to POTW, also include POTW name and NPDES permit number)*

UtahAmerican Energy, Inc. Lila Canyon Coal Mine Proposed Facility:
~10 miles South of Sunnyside, Utah off State HWY 124 in Emery County

Entry Time/ Date	Permit Effective Date
11:30 am /8-26-2008	5-1-2008
Exit Time/ Date	**Permit Expiration Date**
1:30 pm / 8-26-2008	4-30-2013

Name(s) of On-Site Representative(s)/Title(s)/Phone and Fax Number(s)

No one on site.

Other Facility Data *(e.g., SIC NAICS, and other descriptive information)*

Proposed underground coal mining operation
SIC code 1222
NAICS No. 212112

SEE ATTACHED

Name, Address of Responsible Official/Title/Phone and Fax Number

Mr. R. Jay Marshall, Project Manager & Chief Engineer
UtahAmerican Energy, Inc.
P.O. Box 986
Price, UT 84501
(435)888-4007

Contacted: ☒ Yes ☐ No

Section C: Areas Evaluated During Inspection *(Check only those areas evaluated)*

☒ Permit	☒ Self Monitoring Program	☐ Pretreatment	☐ MS4
☒ Records/Reports	☐ Compliance Schedule	☐ Pollution Prevention	
☒ Facility Site Review	☐ Laboratory	☒ Storm Water	
☒ Effluent/Receiving Waters	☒ Operations & Maintenance	☐ Combined Sewer Overflow	
☒ Flow Measurement	☐ Sludge Handling/Disposal	☐ Sanitary Sewer Overflow	

Section D: Summary of Findings/Comments

(Attach additional sheets of narrative and checklists, including Single Event Violation codes, as necessary)

SEV Codes	SEV Description

Name(s) and Signature(s) of Inspector(s)	Agency/Office/Phone and Fax Number(s)	Date:
JEFF STUDENKA, ENVIRONMENTAL SCIENTIST Jeff Studenka	DWQ (801) 538-6779	8-28-08
Name and Signature of Management Q A Reviewer	**Agency/Office/Phone and Fax Number(s)**	**Date:**
MIKE HERKIMER, MANAGER UPDES IES SECTION Mike Herkimer	DWQ (801) 538-6058	8/28/08

United States Environmental Protection Agency
Washington, D.C. 20460

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NAICS No. 212112

SEE ATTACHED

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Mr. R. Jay Marshall, Project Manager & Chief Engineer
UtahAmerican Energy, Inc.
P.O. Box 986
Price, UT 84501
(435)888-4007

Contacted

☒ Yes ☐ No

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JEFF STUDENKA, ENVIRONMENTAL SCIENTIST Jeff Studenka	DWQ (801) 538-6779	9-29-08
Name and Signature of Management Q A Reviewer	Agency/Office/Phone and Fax Number(s)	Date:
MIKE HERKIMER, MANAGER UPDES IES SECTION Mike Herkimer	DWQ (801) 538-6058	8/28/08

INSPECTION PROTOCOL

UPDES Permit #: UTG040024 – UtahAmerican Energy, Inc. Lila Canyon Mine Site
Inspection Type: Compliance Evaluation Inspection + Storm Water Inspection
Inspection Date: August 26, 2008

Jeff Studenka of the Division of Water Quality (DWQ) visited the proposed Lila Canyon Coal Mine site while already in the area and then conducted the interview portion with Jay Marshall, Project Manager for UtahAmerican Energy. The purpose for the site visit was explained and a compliance evaluation inspection was performed since the permit coverage was recently renewed. The U.S. EPA Region 8 NPDES Inspection Checklist was completed following a tour of the facility.

FACILITY DESCRIPTION

Location: ~10 miles South of Sunnyside, UT off State HWY 124.
Coordinates: Outfall 001 (proposed) lat. 39° 25' 28", long. 110° 20' 53"
Outfall 002 (proposed) lat. 39° 25' 34", long. 110° 20' 26"

Flow Info: Zero discharge to date as facility has not been constructed yet.
Design flow for 002 is 500 gal/min.

Receiving waters: Grassy Wash & Marsh Flat → Price River

Process: Proposed underground coal mining operation facility recently approved by DOGM. Construction activities are scheduled to start later this year. Outfall 001 will be from a sedimentation pond for surface water runoff collection in the disturbed area. Outfall 002 will be from mine dewatering via pipeline thru the mine portal.

INSPECTION SUMMARY

There were no deficiencies noted during the previous inspection for follow up. A site visit to the proposed mining facility in Lila Canyon followed a visit to the former Horse Canyon Coal Mining facility. The reclaimed areas of Horse Canyon, the proposed Lila Canyon facility, and the receiving dry streambeds were observed. There has been no discharge to evaluate, but a DMR file review indicates that the monthly reports are being submitted regularly and on time. Permittee is aware of the sampling requirements upon future discharges and will likely use SGS Labs of Huntington, Utah for analyzing samples in accordance with permit requirements. Flow from the mine water discharge (002) will be measured by a flow meter and any flow from the sedimentation pond (001) will be manually calculated from the discharge pipe as proposed. A Storm Water Pollution Prevention Plan (SWPPP) is due to be completed by February 1, 2009 as required by your permit. There were no deficiencies observed.

DEFICIENCIES

No deficiencies with respect to the UPDES permit were observed during the inspection.

USEPA REGION 8 NPDES INSPECTION CHECKLIST

NPDES PERMIT #: VTG040024

INSPECTION DATE: 8-26-08

FACILITY: VEI Lila Canyon Mine Site

R. Jay Marshall – Project Manager

on site : 11:30 am
off site: 1845 pm
phone interview 1:15→1:30pm

I. PERMIT VERIFICATION

(YES) NO — **Inspection observations verify information contained in permit.**

(Yes) No N/A 1. Current copy of permit on site. at West Ridge facility offices

(Yes) No N/A 2. Name, mailing address, contact, and phone number are correct in PCS. If not, indicate correct information on Form 3560.

3. Brief description of the wastewater treatment plant: (under construction)
One sedimentation pond has been designed for surface water runoff events in the permit/disturbed area.

(Yes) No N/A 4. Facility is as described in permit. If not, what is different? outfalls + facility under construction

Yes No (N/A) 5. EPA/State has been notified of any new, different, or increased loading to the WWTP.

(Yes) No N/A 6. Number and location of discharge points are as described in the permit. only 2 proposed (collocated)

(Yes) No N/A 7. Name of receiving water(s) is/are correct. Grassy Wash → Marsh Flat → Price River

Comments:

II. RECORDKEEPING AND REPORTING EVALUATION

(YES) NO — **Records and reports are maintained as required by permit.**

(Yes) No N/A 1. All required information is current, complete, and reasonably available.

(Yes) No N/A 2. Information is maintained for the required 3 year period.

3. Sampling and analysis data are adequate and include: No Sampling, no discharges to date

Yes No (N/A) a. Dates, times, locations of sampling.
Yes No (N/A) b. Initials of individual performing sampling.
Yes No (N/A) c. Referenced analytical methods and techniques in conformance with 40 CFR Part 136.
Yes No (N/A) d. Results of analyses and calibration.
Yes No (N/A) e. Dates of analyses (and times if required by permit).
Yes No (N/A) f. Initials of person performing analyses.
Yes No (N/A) g. Instantaneous flow at grab sample stations.

Yes No N/A 4. Sampling and analysis completed on parameters specified in permit.

Yes No N/A 5. Sampling and analysis done in frequency specified by permit.

Comments: No discharges + no sampling events to date to evaluate.

YES NO **DMR completion meets the self-monitoring reporting requirements.**

Yes No N/A 1. Monitoring for required parameters is performed more frequently than required by permit. Parameter(s)_____

_____

Yes No N/A 2. Analytical results are consistent with the data reported on the DMRs.

Yes No N/A 3. All data collected are summarized on the DMR.

Yes No N/A 4. Monthly, weekly, and/or daily average loading values are calculated properly and reported on the DMR. *(Effluent loadings are calculated using effluent flow.)*

Yes No N/A 5. The geometric mean is calculated and recorded for fecal coliform data.

Yes No N/A 6. Weekly and monthly averaging is calculated properly and reported on the DMR.

Yes No N/A 7. The maximum and minimum values of all data points are reported properly.

Yes No N/A 8. The number of exceedances column (No. Ex.) is completed properly.

Comments: No DMR discharge data to evaluate. DMR's have been consistantly submitted and are in files. ALL No discharge DMRs.

II. WHOLE EFFLUENT TOXICITY TESTING AND REPORTING

No WET testing requirements

'ES NO N/A **WET sampling by permittee adequate to meet the conditions of the permit.**

'es No a. Chain of custody used.

'es No b. Method of shipment and preservation adequate *(iced to 4°C)*.

c. Type of sample collected _____ *(as required by permit)*.

'es No d. Holding time met *(received w/in 36 hours)*.

'es No N/A 2. Lab reports/chain of custody sheets indicate temperature of sample at receipt by lab.

a. Indicate temperature _____

es No N/A 3. Permittee has copy of the latest edition of testing methods or Region 8 protocol. *(Latest version is July 1993 - Colorado has its own guidance.)*

es No N/A 4. Permittee reviews WET lab reports for adherence to test protocols.

es No N/A 5. Lab has provided quality control data, i.e., reference toxicant control charts.

Yes No N/A 6. Permittee has asked lab for QC data.

Yes No N/A 7. Permittee maintains copies of WET lab reports on site for required 3 year period, and makes them available for review by inspectors.

Yes No N/A 8. Evaluation and review of WET data by permittee adequate such that no follow up at lab is necessary. *(Follow up to be conducted by EPA and/or State.)*

Comments: No WET testing requirements

IV. FACILITY SITE REVIEW

YES NO **Treatment facility properly operated and maintained.** — N/A — under construction

Yes No N/A 1. Standby power or other equivalent provision is provided. Specify type:
No power or equipment on site

Yes No N/A 2. Facility has an alarm system for power or equipment failures. What kind of problems has the facility experienced due to power failures?_____

Yes No N/A 3. Treatment control procedures are established for emergencies.

Yes No N/A 4. Facility can be by-passed (internal, collection system, total). Describe by-pass procedures:_____

Yes No N/A 5. Regulatory agency was notified of any bypassing (treated and/or untreated).

Dates:_____

Yes No N/A 6. WWTP has adequate capacity to ensure against hydraulic and/or organic overloads.

Yes No N/A 7. All treatment units, other than back-up units, are in service. If not, what and why?
under construction

Yes No N/A 8. O&M manual available and up-to-date.

Yes No N/A 9. Procedures for plant O&M, including preventive maintenance schedules, are established and performed on time.

Yes No N/A 10. Adequate spare parts and supplies inventory (including flow meters) are maintained, as well as major equipment specifications and/or repair manuals.

Yes No N/A 11. Up-to-date maintenance and repair records are kept for major pieces of equipment.

12. Number of qualified operators and staff. n/a

How many?	Certification Level
_____	_____
_____	_____
_____	_____

Yes No N/A 13. Certification level meets State requirement?

14. What procedures or practices are used to train new operators? n/a

V. SAFETY EVALUATION – No facility to evaluate yet.

YES NO **Facility has the necessary safety equipment.**

Yes No N/A 1. Procedures are established for identifying out-of-service equipment. What are they?
All equipment on site, under construction

Yes No N/A 2. Personal protective clothing provided (safety helmets, ear protectors, goggles, gloves, rubber boots with steel toes, eye washes in labs).

Yes No N/A 3. Laboratory safety devices (eyewash and shower, fume hood, proper labeling and storage, pipette suction bulbs) available.

Yes No N/A 4. Plant has general safety structures such as rails around or covers over tanks, pits, or wells. Plant is enclosed by a fence.

Yes No N/A 5. Portable hoists for equipment removal available.

Yes No N/A 6. All electrical circuitry enclosed and identified.

7. Chlorine safety is adequate and includes:

Yes No N/A a. NIOSH-approved 30-minute air pack.
Yes No N/A b. All standing chlorine cylinders chained in place.
Yes No N/A c. All personnel trained in the use of chlorine.
Yes No N/A d. Chlorine repair kit.
Yes No N/A e. Chlorine leak detector tied into plant alarm system.
Yes No N/A f. Ventilation fan with an outside switch.
Yes No N/A g. Posted safety precautions.

Yes No N/A 8. Warning signs (no smoking, high voltage, nonpotable water, chlorine hazard, watch-your-step, and exit) posted.

Yes No N/A 9. Gas/explosion controls such as pressure-vacuum relief valves, no smoking signs, explosimeters, and drip traps present near anaerobic digesters, enclosed screening or degritting chambers, and sludge-piping or gas-piping structures.

Yes No N/A 10. Emergency phone numbers listed.

Yes No N/A 11. Plant is generally clean, free from open trash areas. Construction site visited at Westridge offices

Yes No N/A 12. MSDS sheets, if required, are accessible by employees.

Comments:

VI. FLOW MEASUREMENT

YES NO FLOW MEASUREMENT MEETS THE REQUIREMENTS AND INTENT OF PERMIT

A. PRIMARY EFFLUENT FLOW MEASUREMENT

Facility not constructed yet, proposed only evaluated

1. General

Type of primary flow measurement device: Flow thru meter to be installed for 002 Manually calculate w/ bucket + stopwatch for 001

Yes No N/A 1. Primary flow measuring device is properly installed and maintained. (proposed)
Where? To be installed prior to 002

Yes No N/A 2. Flow measured at each outfall. Number of outfalls: 2

3. Frequency of routine inspection of primary flow device by operator:
~~/day~~. n/a

4. Frequency of routine cleaning of primary flow device by operator:
~~/week~~. n/a

Yes No N/A 5. Influent flow is measured before all return lines.

Yes No N/A 6. Effluent flow is measured after all return lines. As proposed

Yes No N/A 7. Proper flow tables are used by facility personnel.

8. Design flow: 2 mgd. 500 gal/min. from Mine water discharge (002)

Yes No N/A 9. Flow measurement equipment adequate to handle expected ranges of flow rate.

2. Open Channel Primary Flow Measuring Devices

Flumes

Type and size: n/a EFF

Yes No N/A 1. Flume is located in a straight section of the open channel, without bends immediately upstream or downstream.

Yes No N/A 2. Flow entering flume appears reasonably well distributed across the channel and free of turbulence, boils, or other distortions.

Yes No N/A 3. Flume is clean and free of obstructions, debris or deposits.

Yes No N/A 4. All dimensions of flume accurate and level.

Yes No N/A 5. Sides of flume throat are vertical and parallel.

Yes No N/A 6. Side walls of flume are vertical and smooth.

Yes No N/A 7. Flume head is being measured at proper location. *(Location dependent on flume type - see NPDES Compliance Inspection Manual or ISCO book.)*

Yes No N/A 8. Flume is under free flow conditions at all times. *(Flume is not submerged.)*

Weirs

Type: N/A EFF

Yes No N/A 1. Weir is level.

Yes No N/A 2. Weir plate is plumb and its top edges are sharp and clean.

Yes No N/A 3. Downstream edge of weir is chamfered at 45°.

Yes No N/A 4. There is free access for air below the nappe of the weir.

Yes No N/A 5. Upstream channel of weir is straight for at least four times the depth of water level, and free from disturbing influences.

Yes No N/A 6. Distance from sides of weir to side of channel at least 2H.

Yes No N/A 7. Area of approach channel at least 8 x nappe area for upstream distance of 15H. *(If not, is velocity of approach too high?)*

Yes No N/A 8. Weir is under free-flow conditions at all times. *(Weir is not submerged.)*

Yes No N/A 9. The stilling basin of the weir is of sufficient size and clear of debris.

Yes No N/A 10. Head measurements are properly made by facility personnel.

Yes No N/A 11. Weir is free from leakage.

3. Closed Channel Primary Measuring Devices

Electromagnetic Meters

Type and model: N/A EFF

Yes No N/A 1. There is a straight length of pipe or channel before and after the flowmeter of at least 5 to 20 diameters.

Yes No N/A 2. There are no sources of electric noise in the near vicinity.

Yes No N/A 3. Magnetic flowmeter is properly grounded.

Yes No N/A 4. Full pipe requirement is met.

Venturi Meters

Type and model: N/A EFF

Yes No N/A 1. Venturi meter is installed downstream from a straight and uniform section of pipe?

B. Secondary Flow Measurement

No secondary measurements being proposed.

1. General

1. What are the most common problems that the operator has had with the secondary flow measurement device?_____

_____

Yes No N/A 2. Flow records properly kept.
Yes No N/A a. All charts maintained in a file.
Yes No N/A b. All calibration data kept.

Yes No N/A 3. Secondary device calibration records are kept.

a. Frequency of secondary device calibration:____ / year.

4. Frequency of flow totalizer calibration:___ / year.

Yes No N/A 5. Secondary instruments (totalizers, recorders, etc.) are properly operated, calibrated, and maintained.

Floats

Type and model: n/a EFF

Bubblers

Type and model: n/a EFF

Ultrasonic

Type and model: n/a EFF

Electrical

Type and model: n/a EFF

Comments: Facility yet to be constructed. Nothing on site to evaluate at this time.

2. Flow Verification

Accuracy of Flow Measurement (Secondary against Primary) n/a	
	Type and size of primary device
	EFF:
Reading from primary standard, feet and inches	
Equivalent to actual flow, mgd	
Facility-recorded flow from secondary device, mgd	
Percent Error	
Correction Factor	

Fill in above only if the primary device has been correctly installed, or if correction factor is known.

Comments: n/a

VII. LABORATORY QUALITY ASSURANCE

No Lab data, No discharge to date.

YES / NO **Laboratory procedures meet the requirements and intent of the permit.**

Yes No N/A 1. Commercial laboratory is used.

Parameters	pH, TDS, TSS, IRON, O+G (UPDES parameters)
Name	SGS Labs to be utilized upon start up.
Address	Huntington, UT
Contact	on file
Phone	

Yes No N/A 2. According to the permittee, commercial laboratory is State certified (ND & UT only).

Yes No N/A 3. Written laboratory quality assurance manual is available, if the facility does its own lab work.

Yes No N/A 4. Quality control procedures are used. Specify: _____

_____

Yes No N/A 5. Calibration and maintenance of laboratory instruments and equipment is satisfactory.

Yes No N/A 6. Samples are analyzed in accordance with 40 CFR 136.

Yes No N/A 7. Results of last DMR/QA test available. Date: _____

Yes No N/A 8. Facility lab does analyses for other permittees. If yes, list the facilities and their permit numbers.

VIII. COMPLIANCE SCHEDULE STATUS REVIEW n/a

YES NO **The permittee is meeting the compliance schedule**

1. Is the facility subject to a compliance schedule either in its permit or in an order? If facility is subject to an order, note docket number:_____

N/A 2. What milestones remain in the schedule?_____

_____

(Attach additional sheets as necessary.)

Yes No N/A 3. Facility is in compliance with unachieved milestones.

Yes No N/A 4. Facility has missed milestone dates, but will still meet the final compliance date.

IX. PERMITTEE SAMPLING EVALUATION

YES NO **Sampling meets the requirements and intent of the permit.**

Yes No N/A 1. Samples are taken at sampling location specified by permit.

Yes No N/A 2. Locations are adequate for representative samples.

Yes No N/A 3. Flow proportioned samples are obtained.

Yes No N/A 4. Permittee is using method of sample collection required by permit.
Required method:_____
If not, method being used is:
( ) Grab
( ) Manual
( ) Automatic composite

Yes No N/A 5. Sample collection procedures adequate and include:
Yes No N/A a. Sample refrigeration during compositing.
Yes No N/A b. Proper preservation techniques.
Yes No N/A c. Containers in conformance with 40 CFR 136.3.
Specify any problems:_____

_____

Comments: No Sampling events to date. Permittee is prepared to begin Sampling plan upon facility completion and any discharge events to follow.

SWPPP under development, to be finalized by Feb. 1, 2009 as required in their permit.